

ANNEX IV
REGULATION OF MEMBER OF BOARD OF
GOVERNORS NUMBER 24/10/PADG/2022
DATED 4 JULY 2022
ON
IMPLEMENTING REGULATION ON
TRANSACTIONS IN FOREIGN EXCHANGE
MARKET

EXAMPLE OF SETTLEMENT
DERIVATIVE TRANSACTIONS OF FOREIGN CURRENCIES AGAINST RUPIAH

A. EXAMPLE OF ROLL OVER

On 15 January 2022, for import payment hedging, customer ABC makes a USD/IDR forward purchase transaction with Bank KLM in the amount of USD1,000,000.00 (one million US dollars), term of 3 (three) months with a due date on 15 April 2022 and forward exchange rate of USD/IDR14,000.00 (fourteen thousand rupiah per US dollar).

Prior to the due date, customer ABC is informed that shipping of goods by their seller overseas is delayed making the payment due date change to 15 May 2022.

To extend the transaction, on 13 April 2022 customer ABC makes a USD/IDR swap purchase transaction with Bank KLM in the amount of USD1,000,000.00 (one million US dollars) at a spot exchange rate of USD/IDR14,100.00 (fourteen thousand and one hundred rupiah per US dollar) and swap exchange rate of USD/IDR14,200.00 (fourteen thousand and two hundred rupiah per US dollar), due on 15 May 2022.

On 15 April 2022, the transaction extension by customer ABC may be settled by *netting* so that customer ABC gets fund of Rp100,000,000.00 (one hundred million rupiah) which is a difference between the spot exchange rate and forward exchange rate = [USD/IDR14,100.00 (fourteen thousand and one hundred rupiah per US dollar) – USD/IDR14,000.00 (fourteen thousand rupiah per US dollar)] x USD10,000,000.00 (ten million US dollars).

On 15 May 2022, the USD/IDR purchase swap transaction falls due, making customer ABC gets foreign currency of USD1,000,000.00 (one

million US dollars) and delivers rupiah of Rp14,200,000,000.00 (fourteen billion and two hundred million rupiah) which is the calculation result of USD/IDR14,200 (fourteen thousand and two hundred rupiah per US dollar) x USD1,000,000.00 (one million US dollar).

B. EXAMPLE OF EARLY TERMINATION

On 15 January 2022, for import payment hedging, customer ABC makes a USD/IDR forward purchase transaction with Bank KLM in the amount of USD1,000,000.00 (one million US dollars), term of 3 (three) months with a due date on 15 April 2022 and forward exchange rate of USD/IDR14,000.00 (fourteen thousand rupiah per US dollar).

Prior to the due date, customer ABC is informed that shipping of goods by their seller overseas is expedited making the payment due date change to 15 April 2022.

To expedite the transaction settlement, on 13 April 2022 customer ABC makes a USD/IDR swap purchase transaction with Bank KLM in the amount of USD1,000,000.00 (one million US dollars) at a spot exchange rate of USD/IDR14,100.00 (fourteen thousand and one hundred rupiah per US dollar) and swap exchange rate of USD/IDR14,200.00 (fourteen thousand and two hundred rupiah per US dollar), due on 15 May 2022.

On 15 April 2022, in relation to the first leg of USD/IDR sale swap transaction, customer ABC gets foreign currency in the amount of USD1,000,000.00 (one million US dollars) and delivers rupiah in the amount of Rp14,100,000,000.00 (fourteen billion and one hundred million rupiah).

On 15 May 2022, two transactions fall due, namely USD/IDR forward transaction and USD/IDR sale swap transaction. The two transactions are settled by netting making customer ABC get fund from the difference between the swap exchange rate and forward exchange rate of [USD/IDR14,200 (fourteen thousand and two hundred rupiah per US dollar) – USD/IDR14,000 (fourteen thousand rupiah per US dollar)] x USD10,000,000.00 (ten million US dollars) = Rp200,000,000.00 (two hundred million rupiah).

C. EXAMPLE OF UNWIND

On 15 January 2022, for import payment hedging, customer ABC makes a USD/IDR forward purchase transaction with Bank KLM in the amount of

USD1,000,000.00 (one million US dollars), term of 3 (three) months with a due date on 15 April 2022 and forward exchange rate in the amount of USD/IDR14,000.00 (fourteen thousand rupiah per US dollar).

Prior to the due date, customer ABC is informed that their seller overseas is facing a problem making them unable to meet the order.

To unwind the transaction, on 15 March 2022 customer ABC makes a USD/IDR forward sale transaction with Bank KLM in the amount of USD1,000,000.00 (one million US dollars) at a forward exchange rate in the amount of USD/IDR14,200.00 (fourteen thousand and two hundred rupiah per US dollar), due on 15 April 2022.

On 15 April 2022, the two forward transactions fall due. The two transactions are settled by netting making customer get fund from the difference between the sale forward exchange rate and purchase forward exchange rate of $[\text{USD/IDR14,200 (fourteen thousand and two hundred rupiah per US dollar)} - \text{USD/IDR14,000 (fourteen thousand rupiah per US dollar)}] \times \text{USD10,000,000.00 (ten million US dollars)} = \text{Rp200,000,000.00 (two hundred million rupiah)}$.

MEMBER OF BOARD OF GOVERNORS,

DESTRY DAMAYANTI